

STATE OF CALIFORNIA
BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY
DEPARTMENT OF BUSINESS OVERSIGHT

TO: Taek Min "David" Kim
Great Khan, Inc.
2423 E. 23rd Street
Los Angeles, CA 90058

3345 Wilshire Boulevard, Suite 903
Los Angeles, CA 90010

DESIST AND REFRAIN ORDER
(For violations of Section 31110 of the Corporations Code)

The Commissioner of Business Oversight ("Commissioner") finds that:

1. At all relevant times Great Khan, Inc. ("Great Khan") is a California corporation with its principal address of 2423 E. 23rd Street or 3345 Wilshire Boulevard, Suite 903, Los Angeles, California.
2. Taek Min "David" Kim ("Kim") is or was Great Khan's president.
3. At all relevant times, Great Khan operated fast food restaurants throughout the State of California.
4. Great Khan registered its franchise system with the Commissioner on or about November 9, 2000, and the Commissioner declared the registration effective from October 15, 2001 to April 20, 2002. Great Khan failed to renew the registration after April 20, 2002.
5. Beginning in or about November 1999, Great Khan and Kim entered into at least five franchise agreements with California residents. Great Khan granted individuals the right to establish restaurants within the State of California using the "Great Khan System," which it describes as a "unique and innovative way of serving meat and vegetable dishes[.]" Under the agreements franchisees were entitled, among other things, to use Great Khan's trade names and trademarks to run their restaurant businesses. Great Khan and Kim executed the franchise agreements outside the effective registration period.

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1 6. In exchange for the foregoing rights and benefits, the franchisees each paid an initial
2 franchise fee of at least \$25,000.00.

3 7. The agreements constitute a franchise as defined by Corporations Code section 31005.

4 8. These franchises were offered or sold in this state.

5 9. The Department of Business Oversight had not issued a registration to Great Khan for
6 the offer or sale of any franchise in this state before October 15, 2001 or after April 20, 2002. All five
7 franchise sales occurred outside the registration period. Additionally, the Great Khan franchises are
8 not exempt from registration.

9 Based upon the foregoing findings, the Commissioner of Business Oversight is of the opinion
10 that Great Khan, Inc. and Taek Min “David” Kim have sold Great Khan franchises in California that
11 are subject to registration under the Franchise Investment Law, in violation of Corporations Code
12 section 31110. Under section 31402 of the Corporations Code, Great Khan, Inc. and Taek Min
13 (“David”) Kim are hereby ordered to desist and refrain from the further offer or sale of Great Khan
14 franchises unless and until the offer has been duly registered under the Franchise Investment Law or
15 unless exempt. This Order is necessary, in the public interest, for the protection of franchisees and
16 consistent with the purposes, policies, and provisions of the Franchise Investment Law.

17 Dated: April 22, 2016
18 Los Angeles, CA

JAN LYNN OWEN
Commissioner of Business Oversight

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20 By _____
21 MARY ANN SMITH
22 Deputy Commissioner
23 Enforcement Division
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